بسم الله الرحمن الرحيم

Prophet Muhammad (s) on Economic Justice

A Review of The Islamic Economic System that Changed the World

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The Islamic Economic System

JUSTICE:

Al-Nisaa (4) vs. 58, Al-Ma'ida (5) vs. 8,
Al-An'aam (6) vs. 152, Al-Nahl (16) vs. 90

THE FOUNDATION:

1. Prepare the Individual Through Firm Belief in God and Emulation of Prophet Muhammad's Example

2. Instilling the Values of Halal & Haram in the Individual

The Islamic Economic System

Self Policing by Applying the Teachings of the Holy Quraan and The Sunnah:

1. The Qur'aan:

Qaf Chapter (50) vs. 16 to 18, Taha Chapter (20) vs. 7

2. The Sayings & Example of The Prophet (s):

Faith is What is Entrenched Deeply in one's heart and is Manifested by one's deeds.

The Islamic Economic System

<u>The Five Pillars of Islam</u>

1. <u>Shahada</u> – Pronouncement of One God and the Prophet Muhammad is His Final Prophet.

2. <u>Salah</u> - Prayers

3. <u>Siyam</u> – Fasting

4. <u>THE ECONOMIC SYSTEM</u> that Includes: Zakah, Miraath (inheritance) & The Riba-Free System of Transactions

5. <u>Hajj</u> – Pilgrimage to Makkah for those Who Can Afford To.

The Islamic Economic System

New Trends That Captured The Imagination of The People of Madinah

- Protection of Property Rights & Title of Ownership
- Originators of the Free Market System, later popularized by Adam Smith.
- Originators of the Concept of Insurance (Takaful or Mutual Benefit & Protection.)
- Originators of Labor Rights – Payment Before Worker's Sweat Dries (Prophet Muhammad S)
- Prohibition of Hoarding (Ihtikar), Misrepresentation of Facts About Products & Services (Fraud, Cheating and Forgery) and Transparency.

The Islamic Economic System CONCEPTS

1. **Money Is Not a Commodity. It Also Does Not Reproduce. It Only Grows When Used in an Economic Activity. Money Is Measuring Device.**

2. **Wealth Should Be Circulated Within the Community by Investing It to Help Develop the Community in Order to Create Jobs, Economic Growth and Prosperity.**

3. **The Islamic System of Economics, Finance and Monetary Theory Is Based on Three Important Pillars :**

   - **Wealth and property (Assets) are God's properties.**
     Man (male/female) are appointed as its trustees and custodians.
   - **The system of "Zakah" or "alms" giving.**
   - **The system of "Miraath" or inheritance.**

The Islamic Economic System

Behavior & Life Style

- <u>**Live Below / Within Your Means:**</u>
  - **Wasting, Extravagance and Overspending is the Work of satan – Al-Araf Ch. 7 vs. 31**
  - **Greed, Miserly and Love of Money is Also Not Accepted. Al-Furqan Ch. 25 vs. 67**
  - **Signs of God's Gifts & Blessings to Man (M/F) Should be Expressed and Enjoyed Within Reason**

The Islamic Economic System

Pillars of The Economic System:

1. Miraath – Inheritance

- Trickle-Down Economics. Al-Hashr, Chap. 59 vs. 7
- Detailed Distribution Rates Among Heirs

  Al-Nis'aa Chap. 4
- Restriction on Changes in The Will Limited to 1/3 But Without Interfering With The Established Ratios
- Every Muslim Should Have A Will/Living Trust. (Prophet Muhammad – S)

The Islamic Economic System

Pillars of The Economic System:

2. Zakah – The Purification of One's Assets:

Sources: Designed to Encourage Investing

1. Savings
2. Investments
3. Assets Outside What is Necessary

Applications: 8 Outlests (12.5% Each)Al-Taubah Ch. 9 vs. 60

1. The Poor (Fuquaraa)
2. The Needy (Miskeen)
3. The Collectors & Administrators
4. New Reverts to Islam &/or Candidates for Revert
5. The slaves to Gain Their Freedom
6. The Heavily Indebted.
7. The Way of God
8. Wayfarer – Refugees & Travelers

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Riba-Free Banking

WHAT IS "Riba"?

"Riba": Renting Money (Interest)

WHAT IS RIBA-FREE BANKING?
CREDIT IS A BASIC HUMAN RIGHT

- Socially Responsible Ethical Banking
- Asset-Based Financing
- A Commodity, Tangible Asset &/or Service Must Change Hands
- Investments in Specific Activities
- Community Development
- Discrimination Is A Sin

1. The Foundation – Faith
All Abrahamic Faiths Prohibited Riba

Riba in Jewish Faith www.LARIBA.com

- Passage in Exodus, chapter 22, verses 24 – 26,
- Rabbinical Teachings: Bava Metzia, Chapter 5, Mishna 2,
- Talmud (Bava Metzia 70b – 71a),
- Moses Maimonidies, in his great Jewish legal code (Laws of Loans, chapter 5, law 2)

1. The Foundation – Faith

All Abrahamic Faiths Prohibited Riba

Riba in The Christian Faith

www.LARIBA.com

- Exodus 22:25,
- Leviticus 25:35-37,
- Deuteronomy 23:19-20,
- Nehemiah 5: 1-13,
- Psalm 15Proverbs 28: 8,
- Ezekiel 18:5-18,
- Habakkuk 2:6-7,
- Luke 6:27-36

1. The Foundation – Faith

Sources of Islamic LARIBA Banking

Socially Responsible Ethical Banking

Riba in The Islamic Faith www.LARIBA.com

- Islamic Ethics is Derived from "Shari'aa" (Islamic Jurisprudence), Derived from:
  - The Holy Qur'aan (Chapters 2,3,4 & 30.)
  - The Sunna; Body of Customs and Practices of All Prophets and Prophet Muhammad (s).
  - Islamic Law.
  - Conscience of the Individual If answers not Available.

The Islamic Economic System

MONEY

Paper Money & The Islamic Currency

The US Dollar

The Euro

The British Pound

The Japanese Yen

THE GOLD DINAR

The Gold Dinar

FIAT MONEY – GOLD DINAR

The Final Leg To Remove Riba From Our Lives

Islamic Monetary Laws Are Based Entirely on the Bimetallic Reference Point. The LaRiba Laws stipulate that Measurements, Zakah, Marriage Dowry, Hudud, Compensation Payments and other Forms of Trade All were Revealed Using Gold and Silver as the Standard. It is an Islamic Obligation to Use the Gold/Silver Bimetallic System.

The Gold Dinar and the Silver Dirham - Gold and Silver As Money:

Gold was used as Money Well into the 20th Century and for at least Two Centuries Before. Most Bonds, Including Government Bonds Were Gold Bonds. But After WWI Convertibility of Paper Money Into Gold Was Suspended for the Most Part and Was Finally Terminated By President Nixon in 1971.

The Gold Dinar

The Dirham and Dinar were used as the Official Islamic Currency Beginning with the Second Khalifah Omar Ibn Al-Khattab (634-644 CE.) The Dinar is the Weight of 22 Karat Gold Equivalent to 4.3 grams and the Dirham is the Weight of Silver Equivalent to 3.0 grams. He Established the Well Known Standard Relationship As: “7 Dinars Must Be Equivalent to 10 Dirhams.”These were coins used by the Romans (The Dinar) and the Persians (The Dirham) and the Muslim Authorities Stamped “In the Name of Allah” onto the.

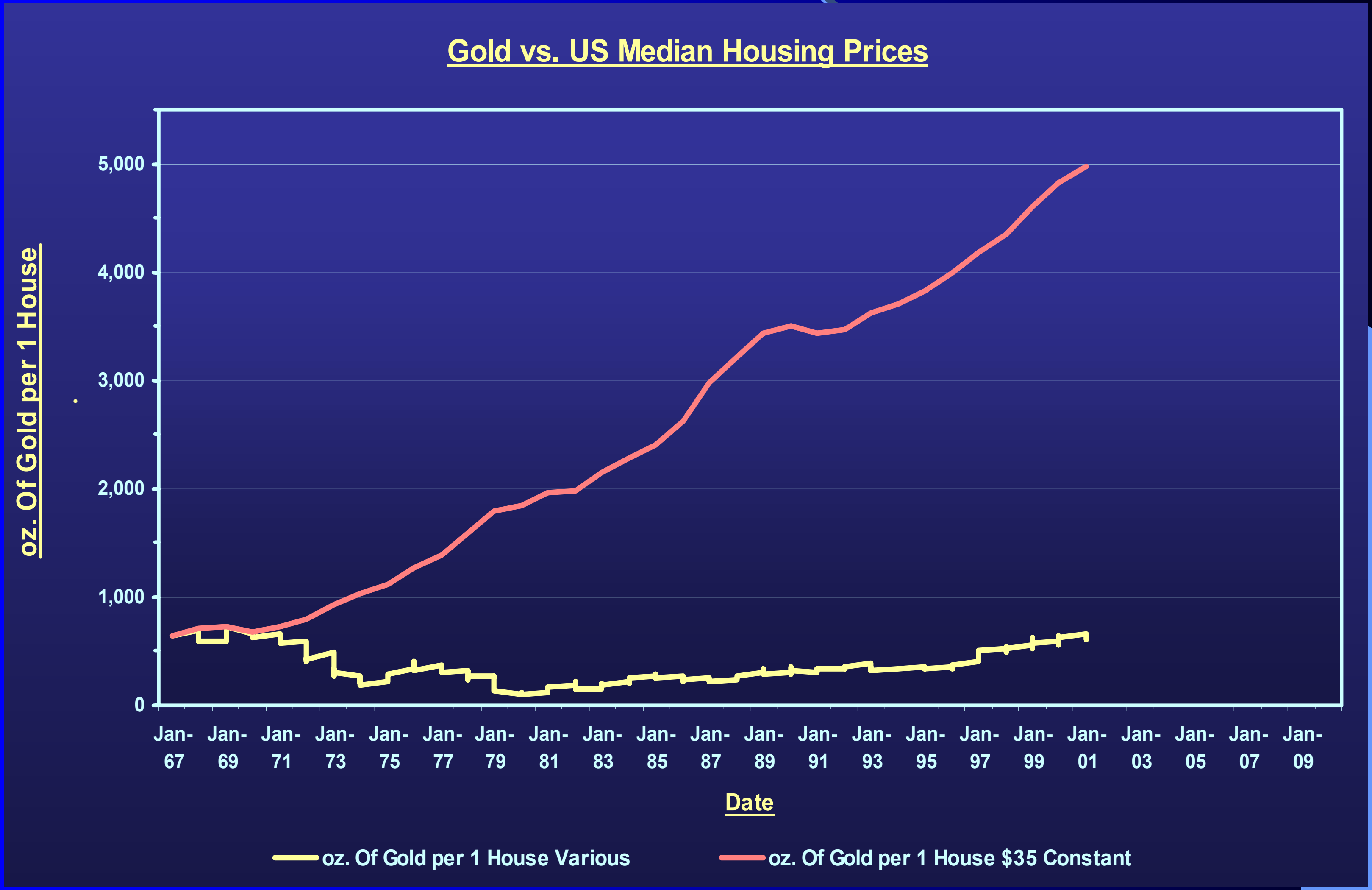
The First Muslim Coins were struck during the Khalifah Uthman Ibn Affan (644-656CE.)

The First Original Minting of Islamic Dirham was done in 695 CE (75 AH) during the Khalifah Abdul-Malik Ibn Marwan Rule.

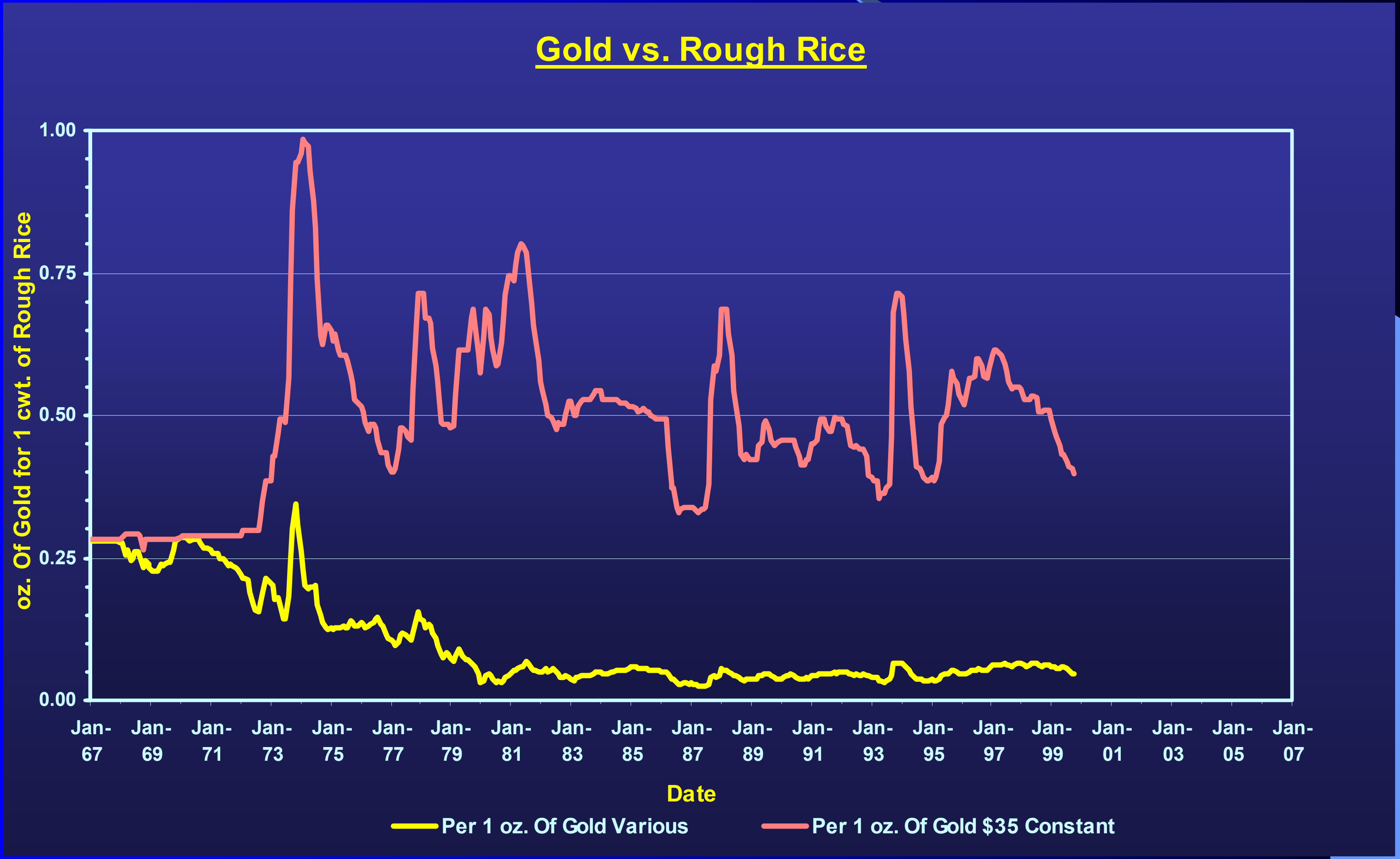
Gold Price History
The Politicization of Gold



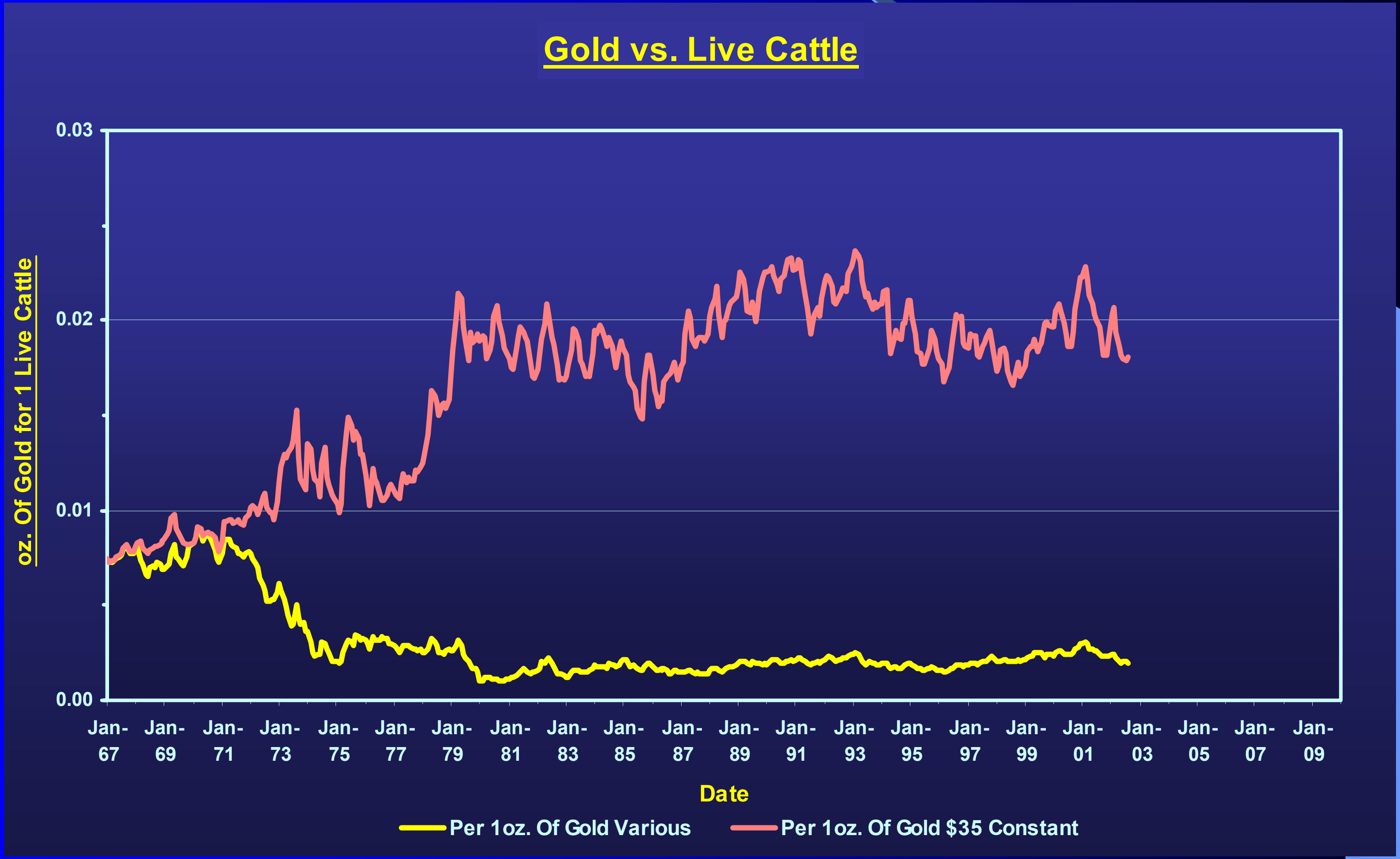
How Much Gold Needed To Buy A House in America?



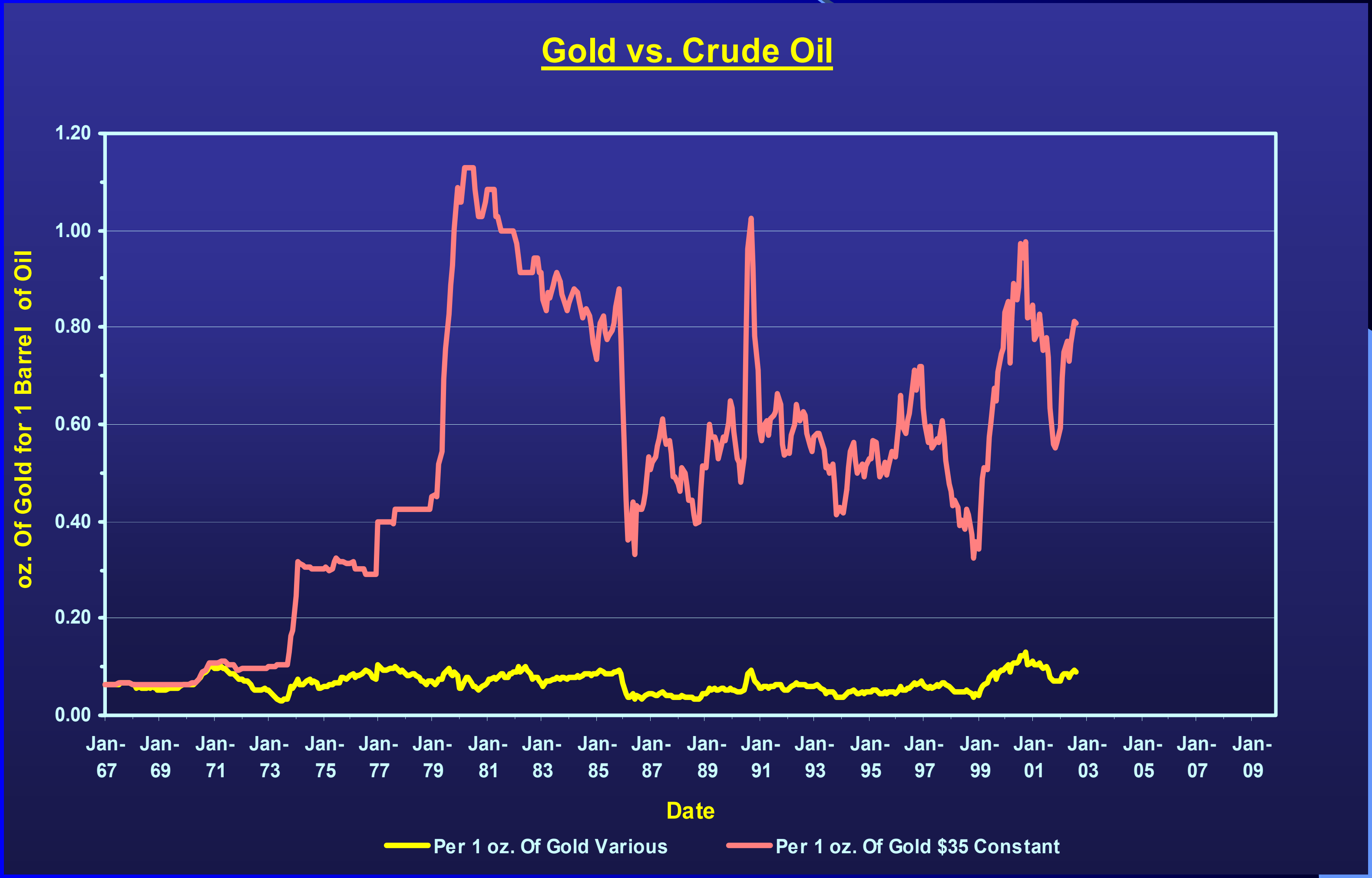
How Much Gold Needed To Buy Rough Rice (CWT – Hundred Wts.)?



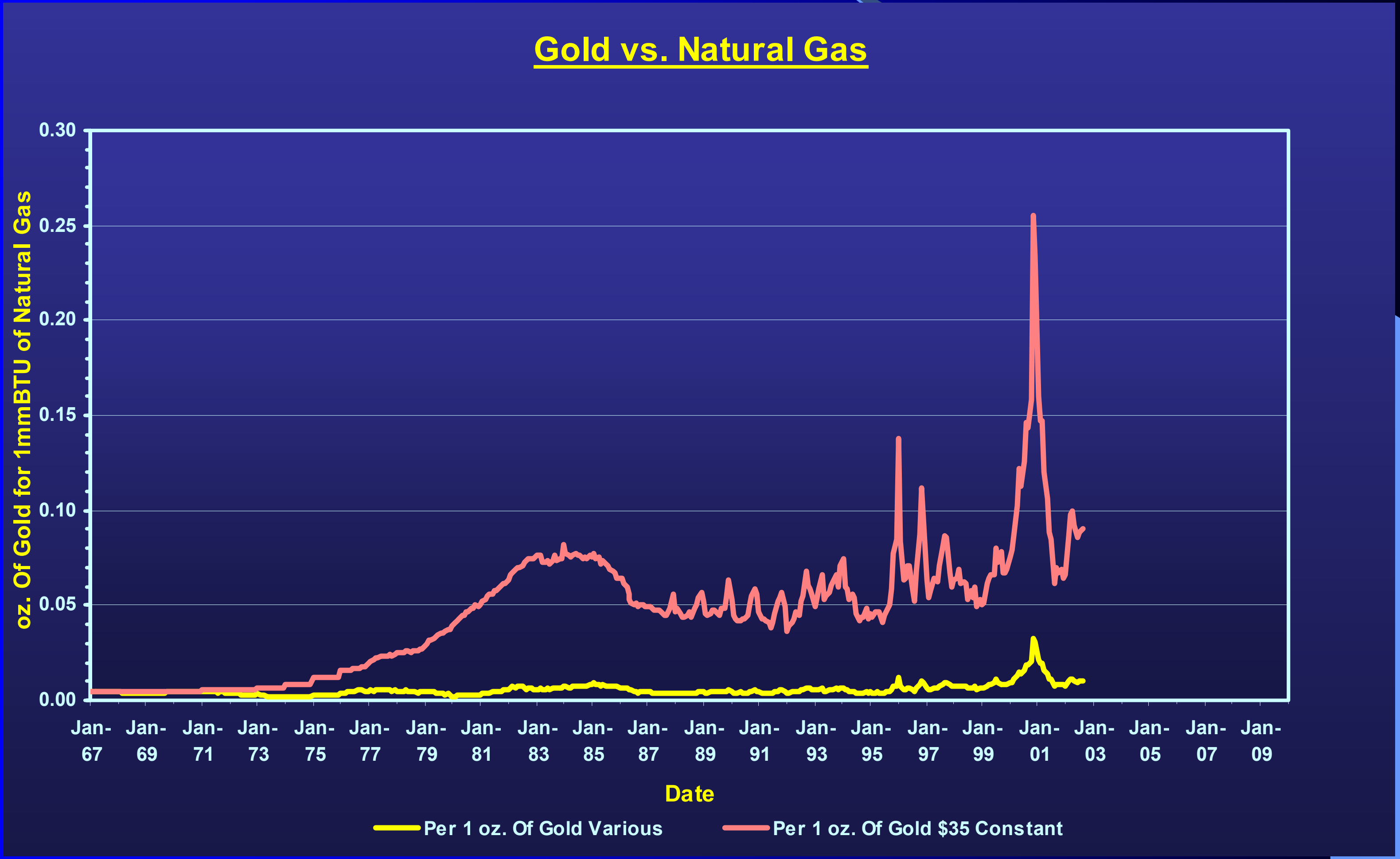
How Much Gold Needed to Buy One Pound of Live Cattle



How Much Gold Needed To Buy A Barrel of Oil ?



How Much Gold Needed To Buy Natural Gas (1 Mill BTU)?



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THANK YOU

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